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I. INTRODUCTION

THE PURPOSE OF THE EXAMINATION

The passage of the Real Estate Appraisal Reform Amendments in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 made each state responsible for implementing licensure and/or certification programs for real estate appraisers. The licensure or certification examination you will take was developed to meet the evaluation requirement set out in the federal law and to provide a basis for assessing your knowledge of the specific skills required for appraisal licensure or certification.

WHO MUST TAKE THE EXAMINATION

Any person wishing to practice as a licensed or certified appraiser in the State of Arkansas and perform appraisals relative to federally related transactions must successfully pass the (1) State License, (2) Certified Residential, or (3) the Certified General examination and, within twelve (12) months of the test date, apply for licensure or certification.

APPRAISER CLASSIFICATIONS

A State Licensed Appraiser may perform appraisals of non-complex one (1) to four (4) residential units having a transaction value of less than \$1,000,000 or such other transaction value levels as shall be set by the Federal Financial Institutions Regulatory Agencies and of complex one (1) to four (4) residential units having a transaction value of less than \$250,000 or such other transaction value levels as shall be set by the Federal Financial Institutions Regulatory Agencies. In addition, a *State Licensed Appraiser* may perform appraisals of all other properties of a non-complex character with transaction values up to levels set by the Federal Financial Institutions Regulatory Agencies subject to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice. *

A State Certified Residential Appraiser may perform appraisals of all properties that a State Licensed Appraiser may appraise and also all one (1) to four (4) residential units without regard to transaction value or complexity. All appraisals and/or appraisal services performed by a State Certified Residential Appraiser shall be subject to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice. *

A State Certified General appraiser shall have no transaction value limits or complexity restrictions on his/her appraisal practice subject only to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice.

* *State Licensed and Certified Residential appraisers performing appraisals on non-residential (i.e. commercial, farms, timberland, etc.) property types shall comply with the following limitations.*

- Federally Related Transactions: A state licensed/certified residential appraiser shall be limited to appraising a “transaction value” (loan value) of no more than \$250,000.
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- Non-Federally Related Transactions: A state licensed/certified residential appraiser shall be limited to a “property value” of no more than \$250,000.

A State Registered Appraiser may perform appraisals on any type of property except when the purpose of the appraisal is for use in federal related transactions, and must include in all appraisal reports a

statement that the appraisal may not be eligible for use in federally related transactions.

All appraisals and/or appraisal services performed by a *state registered appraiser* shall be subject to the competency provision of the Uniform Standards of Professional Appraisal Practice.

These restrictions shall not preclude any person who is *registered* from participating in the performance of appraisals or providing of appraisal services in federally related transactions provided that the participation is under the supervision of a State Licensed Appraiser, a State Certified Residential Appraiser or a State Certified General Appraiser. The intent of this provision is to allow persons to participate in the performance of appraisals or providing of appraisal services under the supervision of properly licensed or certified appraisers as registered appraisers, employees, apprentices, trainees, sub-contractors, co-signers, research assistants, or other capacities related to the production of appraisal reports or the delivery of appraisal services without being licensed or certified. All appraisal services rendered in federally related transactions must be performed or rendered by a person or persons holding the appropriate license or certificate.

All written appraisal reports shall make a specific reference to any person(s) bear the signature(s) and seal(s) of all properly registered, licensed or certified person(s) who participated significantly in the performance of the appraisal or delivery of appraisal services. All Registered, Licensed or Certified appraisers signing an appraisal report or other document representing the delivery of appraisal services shall assume full joint and several responsibility and liability for the compliance of the appraisal performed or the appraisal service rendered with respect to compliance with the Uniform Standards of Professional Appraisal Practice.

Information about the eligibility requirements for each appraiser classification is contained in the *Education Eligibility Requirements* and *Work Experience Eligibility Requirements* sections of this booklet. Review these eligibility requirements carefully. You may NOT take an examination if you cannot properly document your eligibility for that classification.

THE PASSING SCORE

To pass your examination, you must answer 75% or more of the questions correctly.

II. APPLYING FOR YOUR EXAMINATION

ALL APPLICANTS FOR LICENSING ARE REQUIRED TO PARTICIPATE IN A PERSONAL COMPETENCY ASSESSMENT INTERVIEW, REGARDING WORK EXPERIENCE, PRIOR TO TAKING THE EXAMINATION!

All applicants must have a high school diploma or General Education Development (GED) Certificate.

Applicants for *State License* must complete and submit the licensure/certification examination application, the Arkansas appraiser educational requirements affidavit including the summary of classroom education and copies of the certificates for each course, the licensed affidavit of experience, the licensure/certification employment history, and the work experience log.

Applicants for *Certified Residential* must complete and submit the licensure/certification

examination application, the Arkansas appraiser education requirements affidavit including the summary of classroom education and copies of the certificates for each course, the Certified Residential affidavit of experience, the licensure/certification employment history, and the work experience log.

Applicants for *Certified General* must complete and submit the licensure/certification examination application, the Arkansas appraiser educational requirements affidavit including the summary of classroom education along with copies of the certificates for each course, the Certified General affidavit of experience, the licensure/certification employment history, and the work experience log.

The affidavits must be notarized.

All application materials must be complete and in one envelope when received by the Arkansas Appraiser Licensing and Certification Board. Incomplete or illegible applications and applications with fees not paid as directed will delay processing of application.

EDUCATION ELIGIBILITY REQUIREMENTS

ALL QUALIFYING EDUCATION COURSE OFFERINGS MUST BE PRE-APPROVED BY THE ARKANSAS APPRAISER LICENSING & CERTIFICATION BOARD IN ORDER TO BE ACCEPTABLE.

STATE LICENSED REAL ESTATE APPRAISER

To become a *State Licensed* appraiser, you must have completed 90 classroom hours (classroom hours shall be 50 minutes out of each 60 minute segments) approved by the Arkansas Appraiser Licensing & Certification Board. The 90 hours must include the 15 hour Uniform Standards of Professional Appraisal Practice course.

All courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses on the summary of classroom experience must be completed before you submit your application.

CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER

To become a State Certified Residential appraiser, you must have completed 120 classroom hours (classroom hours shall be 50 minutes out of each 60 minute segment) approved by the Arkansas Appraiser Licensing and Certification Board. The 120 hours must include the 15 hour Uniform Standards of Professional Appraisal Practice course.

All courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses on the summary of classroom experience must be completed before you submit your application.

CERTIFIED GENERAL REAL ESTATE APPRAISERS

To become a State Certified General appraiser, you must have completed 180 classroom

hours (classroom hours shall be 50 minutes out of each 60 minute segment) approved by the Arkansas Appraiser Licensing and Certification Board. The 180 hours must include the 15 hour Uniform Standards of Professional Appraisal Practice course.

All courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses listed on the summary of classroom experience must be completed before you submit your application.

Applicants for either the licensing or certification classifications may be required to demonstrate that their qualifying education involved coverage in all of the following topics.

1. Influences on Real Estate Value
2. Legal Considerations in Appraisal
3. Types of Value
4. Economic Principles
5. Real Estate Markets and Analysis
6. Valuation Process
7. Property Description
8. Highest and Best Use Analysis
9. Appraisal Statistical Concepts
10. Sales Comparison Approach
11. Site Value
12. Cost Approach
13. Income Approach
 - Gross Rent Multiplier Analysis
 - Estimation of Income and Expenses
 - Operating Expense Ratios
 - Capitalization (For Certified General only)
14. Valuation of partial interest
15. Uniform Standards of Professional Appraisal Practice (USPAP)

Credit for College Courses

College courses equivalent to the following course titles may be credited for the classroom hours equivalent to the percentage by which the topic is covered on the examination for a specific license or certification. See **Appendix A** for a detailed breakout of minimum qualifying hours per Educational Topic.

- Economics
- Basic Principles of Real Estate (Agents course)
- Business Statistics/or Statistical Analysis
- Fundamentals of Real Estate Investment and Taxation
- Real Estate Law
- Real Estate Finance
- Farm Management
- Agricultural Economics/Marketing

In those instances where one or more of the above courses have been prior approved by this Board, the hours credited will be those granted at the time of approval.

Applicants seeking to utilize any of the foregoing courses for qualifying education will be

required to provide documentation that course content did, in fact, encompass one or all of the fifteen points listed in Appendix A for which they are claiming credit.

WORK EXPERIENCE ELIGIBILITY REQUIREMENTS

ALL APPLICANTS FOR LICENSING ARE REQUIRED TO PARTICIPATE IN A PERSONAL COMPETENCY ASSESSMENT INTERVIEW, REGARDING WORK EXPERIENCE, PRIOR TO TAKING THE EXAMINATION.

ALL WORK EXPERIENCE MUST BE KEPT ON A LOG FURNISHED BY THE BOARD WHEN BECOMING STATE REGISTERED.

STATE LICENSED REAL ESTATE APPRAISER

To be eligible to become a licensed real estate appraiser, you must have completed a minimum of 2,000 hours of appraisal work acquired over any period of time.

STATE CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER

To be eligible to become a Certified Residential real estate appraiser, you must have completed a minimum of 2,500 hours of appraisal work experience obtained during no fewer than 24 months (2 complete years).

STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

To be eligible to become a Certified General real estate appraiser, you must have completed a minimum of 3,000 hours of appraisal work experience obtained during no fewer than 30 months (2 ½ years) and of those hours, at least 1,500 hours must have been in non-residential real property appraisal work.

Acceptable Work Experience

Acceptable work experience for licensing or certification includes, but is not limited to the following:

- A. Fee and staff appraising;
- B. Ad Valorem Tax appraisals;
- C. Review Appraisals;
- D. Appraisal Analysis;
- E. Highest and Best Use Analysis;
- F. Feasibility analysis/study;
- G. Condemnation appraising;

For the work experience claimed, you must be able to produce, at the Board's request, appraisal reports, file memoranda, or other documentation satisfactory to the Board. Various work products will be selected off the log submitted for work experience credit at the time of applying for your examination.

(SEE CHART NEXT PAGE)

REQUIREMENTS FOR LICENSING

<u>LEVELS</u>	<u>EDUCATION</u>	<u>WORK EXPERIENCE</u>
<u>STATE REGISTERED</u>	15 hrs. Uniform Standards Of Professional Appraisal Practice course taken during first year of being State Registered	NONE
<u>STATE LICENSED</u>	90 hrs. of Board approved Education. (Must include 15 hrs. of the USPAP)	2,000 hours of appraisal work experience over any amount of time.
<u>CERTIFIED RESIDENTIAL</u>	120 hrs. of Board approved Education. (Must include 15 hrs. of the USPAP)	2,500 hours of appraisal work experience obtained obtained during no fewer than 24 months. (2 yrs.)
<u>CERTIFIED GENERAL</u>	180 hrs. of Board approved Education. (Must include 15 hrs. of the USPAP)	3,000 hours of appraisal work experience obtained during no fewer than 30 months (2 ½ yrs). 1,500 hours must be in non-residential work.

REVIEW AND ACKNOWLEDGMENT OF APPLICATION PACKETS

All application packets **must** be submitted sixty (60) days in advance of the scheduled exam date. Deadline dates are posted on the application as well as exam dates. The application can be found on our website www.arkansas.gov/alcb.

Application packets will be thoroughly reviewed by the Arkansas Appraiser Licensing & Certification Board, its staff, to ensure your eligibility to take the examination for which you are applying. It is your responsibility to make sure that your application packet is complete. If your application packet indicates that you are ineligible to take the examination for which you applied, does not contain the necessary forms for determining eligibility, does not contain the proper fee payment, or is illegible, your application packet will be returned to you with an explanation of the deficiency. Because of this requirement, if you wait until the last minute to apply, you may jeopardize your opportunity to test on your chosen date. You must re-submit your corrected packet by the appropriate application deadline.

When the application has been processed, you will be sent a letter requesting several reports off of the work experience submitted. You are to return those reports to the Board as soon as possible so the personal assessment interview can be scheduled.

FEES

The application fee of \$125.00 must be submitted at the time you send the application. After successful completion of the appropriate examination, this application fee will be applied toward the licensing fee. This fee may be paid by money order, business check, or personal check and made payable to Arkansas Appraiser Licensing Board.

The testing fee is \$100.00 and must be a money order, certified check, or cashier's check payable to the specified testing agency. **DO NOT SEND A BUSINESS OR PERSONAL CHECK.** Do not combine the two fees. The directions are on the application.

If you fail your examination or do not appear to take it, you will not have to pay the application fee for your second attempt to pass your examination. You will have to pay the testing fee each time you take the exam. After three attempts to pass your examination, you will have to resubmit a complete application along with the appropriate fees.

REFUNDS

NO refunds will be made of any fees submitted and accepted by the Arkansas Appraiser Licensing Board or the testing agent. If you are ineligible to sit for the examination, the entire packet will be returned to you unprocessed.

III. TAKING THE EXAMINATION

EXAMINATION LOCATIONS AND ADMISSION TICKETS

Examinations will be given in Little Rock twice a year. The test dates are the first Saturday in April and October. If the review of your application packet shows that you are eligible to take the examination and everything has been processed and sent to the testing company, an admission

ticket will be mailed to you before your assigned test date. This ticket will confirm the name of the examination for which you registered, your assigned identification number, and the time and place of the exam. **ANY LATE ARRIVALS WILL NOT BE ALLOWED TO ENTER AND TEST!**

If you lose your admission ticket or have not received it by the Thursday before your test date, telephone the Arkansas Appraiser Board at (501) 296-1843 to receive instructions.

SPECIAL TESTING ARRANGEMENTS

Accommodations for Physically Challenged Candidates. Some individuals with disabling conditions may need special accommodations, such as extra time or assistance with writing or reading.

If you need special arrangements because of a disabling condition, include in your application materials: a current letter from a licensed physician, optometrist, social worker, or psychologist (including title, address, and phone number on his/her letterhead) describing the nature of the disability as it applies to taking a standardized, multiple-choice examination and the specific accommodations needed for testing.

There is no additional fee for accommodations. All requests for special accommodations must meet the postmark application deadline.

IV. AFTER THE EXAMINATION

APPLYING FOR LICENSURE OR CERTIFICATION

You should receive the test results within two to three weeks after the examination date. If you have passed the exam, you will need to send a copy of the score report along with the appropriate fees to the Appraiser Licensing Board. (You will need to call the Board office for the fee.) The license/certification will be issued at that time. It is your responsibility to check the spelling of the name, correct address, and other personal information on the score report before submitting for your license.

If you do not apply for licensure/certification within twelve (12) months of your test date, you will have to repeat the complete application and examination process, including re-submission of the all fees.

RETAKING YOUR EXAMINATION

You must call the Board office for directions on retaking your examination. In the event an applicant fails to pass the exam on the third attempt, they will not be allowed to retake the exam for at least six months. Applicants seeking to sit for the fourth attempt are required to submit a new application along with additional work experience and any additional education they may have acquired, and that six months shall lapse between exams.